



Operating Subsidiary: Norfolk Southern Railway Company

May 7, 2008

Mr. Adam K. Thiel
Fire Chief
Alexandria Fire Department
900 Second Street
Alexandria, VA 22314-1395

Re: Norfolk Southern Railway Company's
Ethanol Transloading Facility Alexandria, Virginia

Dear Mr. Thiel:

Over the past several weeks Norfolk Southern and the Alexandria Fire Department representatives have had several very constructive discussions concerning Norfolk Southern's ethanol transloading facility in Alexandria, Virginia. In part, those discussions have resulted in the placement of the Knox Box rapid-entry key system, allowing the Alexandria Fire Department access to the facility at any time of any day. We view this as an important development in what has become a very strong working relationship. We thank you for your involvement and review towards our mutual goal of safety. This letter responds to your inquiry with regard to certain operations, and further to your letter of April 29, 2008.

The facility is available for service 24 hours per day, 7 days per week, but the current operational needs only require us to operate it from 7:00 a.m. to 6:00 p.m. Monday through Friday. What this means is that we generally open the facility to trucks at 6:00 a.m., though of course these trucks are empty. Although most trucks arrive grouped in the morning, due to the exigencies of the transloading operation they leave spaced out throughout the day. Under current operations, the last loaded truck may leave after 6:00 p.m., but generally no later than 7:00 p.m. The rail switching operations to support the transload hours usually are at night – generally from 5:00 p.m. to 5:00 a.m., Monday night through Saturday morning, but the nature of railroad operations is such that the facility must take the traffic when available. As an integral part of our railroad network, we make this particular facility available to all customers, but currently traffic moves out of the facility destined for Springfield, VA and Fairfax, VA, generally via Interstate 95. Of course, if business expands or the customer base changes, then we will respond to that in service hours and rail switching requirements.

We are keenly aware of your safety mission, particularly as it involves the increased levels of ethanol transportation – not only from our facility but generally from a variety of sources as a result of the economic, governmental and international conditions. Given the presence of our facility in the community, we would be pleased to advance your ability to deal with this, and use as reference the Alexandria Fire Department Ethanol Needs Assessment Equipment/Supplies/Training list that you provided to us.

The primary ethanol fire fighting agent is alcohol-resistant aqueous film forming foam (AR-AFFF). We have acquired a significant quantity (1,640 gallons) of Ansulite 3x3 AR-AFFF, as well as a specialized container for long-term storage of the same. We now understand from discussions with you that neither the Alexandria Fire Department nor any of the surrounding mutual aid jurisdictions have the necessary delivery system to apply the foam. We are acquiring such a delivery system and foam nozzles/eductors.

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Because neither Alexandria nor any of the surrounding mutual aid jurisdictions have the necessary delivery system, nozzles/eductors and requisite supply of AR-AFFF, we anticipate contributing these to the Alexandria Fire Department for general purpose use. Further, we recognize some efficiencies could be gained by storing those items at the Norfolk Southern ethanol transload facility site, and would offer that to you at no cost. In case the Alexandria Fire Department would need the equipment and foam for response within Alexandria or in one of its mutual aid jurisdictions, the Alexandria Fire Department would have access to it through the Knox Box. If the Alexandria Fire Department chose to store the equipment and foam at the facility site, such storage would be at Alexandria's risk; we will not provide any security beyond what we actually provide to the facility itself. In addition, in the highly unlikely event that the equipment is used to respond to an incident at the Norfolk Southern ethanol transload facility, Norfolk Southern would replace any used foam. We estimate, using your figures, that the contribution discussed in this paragraph amounts to nearly \$90,000. In addition, we understand your desire to train Alexandria fire fighters in dealing with railroad emergencies of all kinds. We would be pleased to sponsor an attendee at the Transportation Technology Center, Inc. ("TTCI") Emergency Response Training Center.

Some items on the Needs Assessment are not required or are or should be otherwise available to the Alexandria Fire Department or its surrounding mutual aid communities. For example, according to the manufacturer, the foam has a shelf life of 20-25 years, when properly stored, so the Alexandria Fire Department should not have a great concern with regard to foam supply rotation. Any Fire Department vehicle with a trailer hitch should be available to pull the delivery system trailer, so a Ford F450 pick up truck that would be dedicated solely to the towing of the delivery system trailer seems to us not necessary. We believe that we have a fully developed bulk-spill containment system at the facility. Further, a bulk-spill response vehicle and spill/fire control equipment most likely are already justified for the Alexandria Fire Department and the surrounding mutual aid jurisdictions due to the already existing movement of non-ethanol bulk commodities moving through those jurisdictions. Because we would not own the delivery system, foam or other equipment, and because these would be available to Alexandria and its surrounding mutual aid jurisdictions for general use, we are disinclined to provide depreciation.

Norfolk Southern values the relationship we have developed with the Alexandria Fire Department, seeks to strengthen that relationship, and further our mutual safety mission. We believe that what we have offered in this letter, together with the design/build of the facility itself, constitutes a very strong commitment to ensuring adequate fire protection. We look forward to continuing to work with you and putting to bed any final issues with regard to this facility.

Sincerely,



Doug McNeil
Director Distribution Services
Norfolk Southern Railway

cc: David Lawson, Vice President Industrial Products
Michael Webb, Manager Distribution Services
John V. Edwards, Senior General Attorney